

HOMETOWN BANKSHARES CORPORATION

	CPP Disbursement Date 09/18/2009	RSSD (Holding Company) 3848342	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev		
Assets	\$353	\$361	2.3%		
Loans	\$264	\$249	-5.7%		
Construction & development	\$37	\$28	-24.6%		
Closed-end 1-4 family residential	\$48	\$50	4.1%		
Home equity	\$20	\$19	-5.5%		
Credit card	\$0	\$0			
Other consumer	\$2	\$1	-54.7%		
Commercial & Industrial	\$35	\$32	-8.7%		
Commercial real estate	\$110	\$102	-6.7%		
Unused commitments	\$37	\$43	16.5%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$26	\$32	23.4%		
Asset-backed securities	\$0	\$0			
Other securities	\$25	\$37	45.2%		
Cash & balances due	\$4	\$13	179.8%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$326	\$330	1.4%		
Deposits	\$303	\$310	2.3%		
Total other borrowings	\$22	\$19	-10.1%		
FHLB advances	\$21	\$19	-11.0%		
Equity					
Equity capital at quarter end	\$27	\$31	12.7%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$3	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	7.8%	8.3%	--		
Tier 1 risk based capital ratio	10.4%	11.4%	--		
Total risk based capital ratio	11.7%	12.6%	--		
Return on equity ¹	-24.5%	6.1%	--		
Return on assets ¹	-2.0%	0.5%	--		
Net interest margin ¹	3.4%	3.7%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	141.9%	195.8%	--		
Loss provision to net charge-offs (qtr)	178.7%	46.4%	--		
Net charge-offs to average loans and leases ¹	2.0%	1.2%	--		
¹ Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011	
Construction & development	6.5%	2.3%	3.7%	2.6%	--
Closed-end 1-4 family residential	1.8%	1.4%	0.0%	0.0%	--
Home equity	0.0%	3.4%	0.2%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.0%	0.0%	0.0%	0.0%	--
Commercial & Industrial	0.0%	0.1%	0.0%	0.0%	--
Commercial real estate	0.4%	0.0%	0.0%	0.0%	--
Total loans	1.4%	0.8%	0.5%	0.3%	--